



New Britain

EMERGENCY MEDICAL SERVICES, INC.

"Helping People - Saving Lives - Caring for the Community" Since 1977

Date: February 26, 2015

**To: Senator Beth Bye, Co-Chair, Appropriations Committee
Rep. Toni Walker, Co-Chair Appropriations Committee
Vice Chairs, Ranking Members and Members, Appropriations Committee**

From: Bruce Baxter, Chief Executive Officer

**RE: HB 6846-AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS
FOR HUMAN SERVICES PROGRAMS.**

Senator Bye, Representative Walker, Vice Chairs; Ranking Members, Committee Members.

My name is Bruce Baxter. I am the Immediate Past President of the Connecticut EMS Chiefs Association and the Chief Executive Officer of New Britain Emergency Medical Services, Inc. As a previous engagement has precluded my testifying in person today, I would appreciate your consideration of my written testimony today on behalf of New Britain Emergency Medical Services, Inc. and **urge that you oppose** Section 17 of HB- 6846 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS.

New Britain Emergency Medical Services, Inc. is a 501C3, Non Stock, Not for Profit EMS Corporation. New Britain Emergency Medical Services, Inc. is designated as a Certified Ambulance Provider by the Connecticut Department of Public Health- Office of Emergency Medical Services. We hold the Primary Service Area designations from the State Department of Public Health- Office of Emergency Medical Services as the City of New Britain's EMS First Responder, Basic Ambulance Transport Responder as well as Paramedic Advanced Life Support Responder. As such we are the lead 9-1-1 EMS response organization for the City of New Britain.

New Britain Emergency Medical Services, Inc. was recently recognized in 2013 with the State of Connecticut Governor's Annual Emergency Medical Services Organizational Achievement Award for a Career EMS Service. We are well regarded locally, regionally and statewide for providing consistent, timely and efficient clinically sophisticated pre-hospital care services that positively influence patient outcomes with high levels of patient satisfaction.

New Britain Emergency Medical Services, Inc. services a disproportionate population of Medicaid beneficiaries in comparison to other Certified EMS Providers in the State of Connecticut and Nationally which averages 13.9%. **In New Britain our largest payer group is Medicaid (46%)!**

Serving a disproportionate share of Medicaid beneficiaries places Certified EMS Providers, like New Britain Emergency Medical Services, Inc. at significant financial risk. Connecticut's Medicaid reimbursement structure, unlike the Medicare Ambulance Fee Schedule, is not based on any formula that is relevant to our industry. It does not take into consideration patient acuity, type and clinical level of service needed by the patient, geographical location or the cost of readiness associated with providing essential 9-1-1 EMS services.

Medicaid only reimburses 44.5% of our cost which results in us losing \$237.62 each time we transport a patient.

The elimination of cross over funding as proposed in HB 6846 is concerning as it will result in a cash loss of \$170,000.00 annually for New Britain EMS.

Sixty six percent (66%) of the Medicare beneficiaries treated and transported by New Britain Emergency Medical Services, Inc. in our community qualify for and rely upon Medicaid as their health care co-insurance. In the past two years, Medicaid has paid the Medicare co-pay for necessary ambulance services for an average of 3,090 residents each year. That resulted in \$169,000.00 of income per year to support the critical operations of EMS in our community. The loss of cross-over funding to EMS as proposed in the Governor's budget for Health and Human Services will result in New Britain EMS having to reduce services in order to balance its budget.

Connecticut Certified EMS Providers who manage a disproportionate share of Medicaid patients are unable to offset their losses of providing 9-1-1 services as state law restricts them to only providing and billing 9-1-1 transportation services. As a result they must be efficient by organizational design and/ or require community support to sustain their critical mission.

It is important to recognize that the **provision of 9-1-1 EMS is very different from other healthcare suppliers and providers** who participate with the State's Medicaid program.

- We must respond to each 9-1-1 request for service without regard to a patient's ability to pay for the services we render.
- We can only invoice a patient or their insurance when they are transported to the hospital. On average, 35% of all 9-1-1 EMS responses result in no patient being transported. That does not mean there was not a need for service, as often times the EMS response unit assesses patients, treats patients inclusive of administering medications and using invasive procedures to stabilize the patient, only to have them refuse transport. **However, there is no mechanism that allows us to recover our costs for responding and treating those patients.**
- There is no EMS uncompensated care fund, no cost reconciliation reporting resulting in those services who manage a disproportionate share of patients receiving additional funding to close the gap as exists in other States.

- There is no fee schedule formula that bases our reimbursement on realistic EMS industry costs or reimbursement schedules such as the Medicare Ambulance Fee Schedule.
- There is no periodic adjustment for inflation associated with the Medicaid reimbursement rate.
- Other participating suppliers and providers are reimbursed at a percentage of cost the Medicare reimbursement listed below and as cited in the testimony of David Lowell, President of the Association of Connecticut Ambulance Providers.
 - Hospitals- 71% of their cost.
 - Physician Services 87% of Medicare rates.
 - Primary Care Physicians 71% of Medicare rates.

This disparity, that is prevalent in municipalities with a disproportionate share of Medicaid EMS patients, has already resulted in an unfunded mandated to municipalities who are underwriting the losses associated with Medicaid not paying the cost. The additional loss of cross over funding only exacerbates this issue and places Certified EMS Providers, municipalities and Medicaid beneficiaries at risk. With out being funding appropriately by Medicaid, services and availability will be reduced or the community will be required to invest more to preserve essential life saving services.

In closure, I appreciate your time and consideration of this important issue. I urge you to oppose Section 17 of HB-6846 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bruce Baxter', with a long horizontal flourish extending to the right.

Bruce Baxter, CEO